

five amendments on each side related to H-1B or to technology-related job training, education, and access.

It is also our understanding the Republican leader was amenable to our Democratic leader, or his designee, offering a Latino fairness amendment and a Liberian adjustment amendment.

I want to make a comment on his behalf that support of relief for immigrants who have fled wars in Haiti, El Salvador, Honduras, and Guatemala, and to other longtime residents who have been in the United States since before 1986 is important to ensure fairness in the immigration system. If we do this, we will immediately increase the size of the legal workforce and also alleviate the shortage of low-skilled workers, and we will keep families together.

We believe our offer is reasonable. We hope we can work out an agreement. I think the discussions we have had about the five amendments on each side is something that should give us some hope that we will be able to resolve this soon and certainly before this Congress adjourns.

It is a very important issue. You want to address it. We want to address it. We believe we should find a way to connect here and reach agreement to do so.

Mr. LOTT. Will the Senator yield on another point? He and I have discussed the fact that we need to make sure that, wherever possible, some of these high-tech jobs be available in areas now that are underserved—rural areas, including my own State and the State of North Dakota and several other States. I think Nebraska would be in that group. You know, you can't direct where those jobs go, but we could encourage some of those programs, some of these people to be taken into areas where there are not now opportunities, that training be available for them. That certainly would be very attractive so we do not have the high-tech industry only concentrated on the west coast and Northern Virginia or in some other areas, but to try to spread it as much as possible. That is an issue I would like us to consider.

With regard to the immigrant problems, I think, as he knows, we have in the past supported some movement in that area. I believe there is some application now to Nicaraguans that are here. Of course that causes some of the problems. Some of their neighbors don't have that same consideration. We should look at this issue. We should do it thoughtfully. But that is one of the problems.

H-1B has been pending a long time. We need to get it done. The argument can be made that these are different issues. For instance, I understand the other issues mentioned would not be relevant postcloture to the bill, but I do think it is going to be an issue that is going to be discussed as we get to

the end of this session to see if there is some way some of those can be addressed. The Senator is talking, in some instances, about a relatively small number of people. One he mentioned was Liberian immigrants, focused primarily on one State. Maybe something can be done on that.

I want us to find a way to get this bill done. It has been dragging for 6 months. We are down to the last 2 weeks of the fiscal year. I am trying to set up a process that guarantees we get to a conclusion while we continue to work with those on both sides who may have objections.

The problem we have is, if you include these three, four, or five, you will have other people who will say: What about this issue, that would cause a filibuster to begin and we would wind up having to pull down the bill. I would rather that not be the end result.

Mr. DORGAN. Mr. President, if the majority leader will yield further under my reservation, as he knows, it is even difficult to agree to five amendments. We are willing to do that. The Democratic leader wants this bill done. I want it done. My colleagues want it done. We risk ending this session not doing something that we know should be done. We need to do this H-1B bill, and we need to increase the number of these visas.

Let me also respond to the point the Senator from Mississippi made a moment ago. The Senator from Mississippi pointed out that if we bring additional people in to fill jobs here, which makes sense—I much prefer they come in and fill jobs in this country rather than have the company move their operations to India or some other country—it makes sense also not to move all of those jobs into the same part of the country. Because information technology now allows us to do this work anyplace in the country, what about targeting some areas of the country where we have had outmigration, where we have lost population? That is what the Senator from Mississippi said. I think it makes eminent good sense. I hope we can work on at least a piece of that.

I will not object. Again I say it is our intention to get this legislation passed. We think the proposal offered in the last couple of days makes sense. We think we can probably clear that in the manner previously discussed between Senator DASCHLE and Senator LOTT.

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

Mr. LOTT. Mr. President, I now withdraw the motion to proceed.

The PRESIDING OFFICER. The Senator has that right. The motion is withdrawn.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. The Senator from North Dakota has up to 20 minutes. The Senator from North Dakota.

BUDGET SURPLUSES AND DEFICITS

Mr. DORGAN. Mr. President, I come to the floor of the Senate to discuss the fiscal policy questions that are ricocheting around this Chamber, and the House as well, about what the future will hold with respect to tax cuts, budget surpluses and/or deficits, investments in education, the possibility of reducing Federal indebtedness, and other spending. I want to talk about that because we now have a discussion in this town about the potential for big recurring budget surpluses every single year.

It was not too many years ago in Washington, DC, that we had the leading economists in the country saying the 1990s would be a decade of anemic economic growth. We had very large budget deficits, the country was not doing well, and the economists said for the next decade this economy is going to grow very slowly.

The economists did not know what they were talking about then. That is not unusual. I always thought there should be some sort of standard by which we measure economists and evaluate whether what they say has any validity in terms of what we experience. Of course, we have no such yardsticks, so these economists keep on talking and people keep on listening. That is why I am here today: What do we expect in the future, and what should we do in this country as a reasonable response to those expectations.

I want to for a moment talk about the early 1990s and recall where we were. The unified budget deficit in 1992 was \$290 billion and rising—\$290 billion just for that year and rising. Now we have a surplus in the year 2000. Economists said we would have continual, larger and larger deficits. That was wrong. We now have a surplus.

Economic growth: Then it averaged 2.8 percent. We were apparently at the end of, or beginning to see the end of, a recession. Economic growth averaged 2.8 percent annually for the previous 12 years, and it looked as if we were finally ending a recession. Since 1993, economic growth has averaged 3.9 percent a year.

Jobs: From 1988 to 1992, we had a difficult period, one of the worst in history in terms of the creation of new

jobs. The economy did not produce many new jobs. From 1993 to date, over 22 million new jobs have been created in this country.

Unemployment: It averaged 7.1 percent in the 12 years prior to 1993. Today it is at 4.1 percent on average, the lowest level in 30 years.

Home ownership fell from 1981 to 1992. Now it is the highest in history.

Median family income fell by about \$1,800 from 1988 to 1992, adjusted for inflation. It has increased by over \$5,000 since 1993.

Real wages fell 4.3 percent in 12 years; real wages are up 6.5 percent since 1993.

Welfare rolls increased 22 percent from 1981 to 1992; since then it has decreased by 53 percent.

The Dow Jones was 3,000 in 1992. It is 11,000 now.

The point is that this has been a very interesting time. Economists predicted this would not happen, but it did. Our economy is growing in a very robust fashion, and a lot of people are claiming credit for it. Probably everybody deserves a bit of the credit.

The 1993 Economic Reform Act that was passed by Congress, which reduced the deficit and which made tough choices, was a signal moment in this country's fiscal policy history. It dramatically changed what happened in this country. We had the courage to do what was right. It was politically difficult to do. In fact, my party paid a price for it in the next election. Guess what. It put this country back on track, away from the growing deficits toward economic growth and toward opportunity.

It is the year 2000, and we have had a remarkable 7 years. Now we are told by the same economists who predicted anemic growth for that decade that in the next decade we will have nothing but ever larger increasing budget surpluses.

Should we believe them? Is that the basis on which we should develop our future fiscal policy for this country? I do not think so. Because we are inebriated by the sound of 10 years of surpluses, we have politicians walking all around the political landscape saying: What we should do now is pass bills that call for massive tax cuts; lock it in, they say; put it in law; let's provide \$1 trillion or \$1.5 trillion in tax cuts.

It is very unwise, in my judgment, to do that. We do not know that we will have sustained economic growth. We do not know whether there will or will not be a recession 2, 3, or 5 years from now. We don't know what the future holds. We would be very wise to be cautious in how we handle this issue of future surpluses.

We face some really critical choices. Those choices can provide both risk and opportunity: The risk of slipping back into big deficits, which no one in this country wants, and the oppor-

tunity to move forward and build on our recent economic successes. Those are the risks: Are we going to move backwards or forwards?

I am not here on the floor of the Senate to say one side is all wrong and the other side is all right on this issue, but I will say this. Those who say the only agenda in fiscal policy is to begin cutting taxes right now, and cut taxes deeply, and cut taxes for those who have the most income in this country, risk slipping us right back into big deficits, putting us right back into the same old deficit ditch. That is the last place this country ought to want to be.

How much budget surplus is there really? Even if all the things the economists say might happen, how much real budget surplus do we have? There have been some interesting pieces written in the last few weeks about this. There was a wonderful piece written by David Broder, a very respected columnist, in the Washington Post. There was an op-ed piece written by Paul Krugman, an economist, in the New York Times. There was a good piece in the U.S. News & World Report. They raised these questions, which we should raise here in Congress.

How much surplus do we really have to use, if we are honest about where we are headed and what we are doing? Let's look at it. CBO says, \$4.6 trillion in surplus over the next 10 years. I come from a town of 300 people and a high school class of 9. It is really hard for me to grasp what a trillion dollars might be. In fact, it is hard for me to grasp a billion or a million dollars—but trillions of dollars, \$4.6 trillion. So people hear that word, and it is as if they have taken a big bottle of Jack Daniels and started slugging it down. All of a sudden they are talking about all kinds of wild, irresponsible plans they have because we have \$4.6 trillion in surplus.

But, of course, we do not have \$4.6 trillion in surplus. What we have, in fact, if you take the Social Security trust funds away, is \$2.2 trillion in surplus. But we really do not have \$2.2 trillion in surplus. If you take the Medicare trust fund away—and everybody says they want to have a lockbox; and I assume you would want to lock a box with something in it—so you take that away, then you have \$1.8 trillion available.

And then you must adjust that figure for realistic spending, that is, how much money we are going to spend. The budget caps suggest that we will actually reduce Federal spending in domestic discretionary accounts in this country. However, we will have a population that is increasing and some inflation. And we are not going to say, with respect to law enforcement and education, and all the other essential functions of Government, that we are going to actually spend less next year than we are spending this year. That is not realistic. So adjusting for some re-

alistic investment that makes this a good country to live in—building roads and teaching kids, providing for our common defense, all the things that make us a good country—then you have \$1.2 trillion left.

Then using some of the money for extending the solvency of Social Security and Medicare, which all of us know we must do because people are growing older and living better lives, you have \$700 billion left. That is the surplus.

This analysis, incidentally, comes from the Center on Budget and Policy Priorities. They say, the real budget surplus is not \$4.6 trillion or \$2.2 trillion. The real budget surplus is probably about \$700 billion.

So then how do you reconcile people coming to the floor of the Senate telling us they want to cut taxes by \$1.3 trillion or more? The only way you reconcile that puts us right back in the same deficit ditch that we have been in before.

Here is another analysis that comes from the Brookings Institution. This one says—using the exact same analysis but different elements of it—we do not have a \$700 billion surplus, we have only about a \$350 billion surplus—about \$35 billion a year. That is the real surplus. They made some different calculations. I will not go through them all.

But the point is this: Under either of these analyses—confirmed and also discussed in the Paul Krugman piece, the David Broder piece, and others—under either of these analyses, we do not have trillions of dollars in surplus. I wish we did, but we do not. It would be terribly unwise for this country to decide to lock into law very large tax cuts—the biggest benefits of those cuts going to the wealthiest citizens in this country—at a time when it will result in large deficits in the future. We would be very smart to be very cautious as we approach this.

This is from Paul Krugman, who I believe is a really interesting thinker. He wrote an op-ed piece in the New York Times:

The most likely prospect is that those big surpluses won't materialize. And when the chickens that didn't hatch come home to roost, we will rue the days when, misled by sloppy accounting and rosy scenarios, we gave away the national nest egg.

His point is a very important one. I am going to talk about it in a moment. But what are our priorities if we are realistic about what we are going to do and what we think will happen? Our priorities ought to be to pay down the Federal debt first and foremost. If in bad economic times you increase the Federal debt, in good economic times you ought to reduce the Federal debt. That is the import of what Paul Krugman was saying, among other things.

Here is another piece from U.S. News & World Report:

Still, the same lack of understanding about the budget is evident today as we head into the crucial weeks of the campaign with big budget numbers and big political promises. If we get it wrong again, we could head back to those awful years—decades of apparently insuperable deficits, slow growth, and recurrent recessions.

All of us could relate to the numbers better if we could knock off a few zeros from the trillions being discussed. Most American families with a lot of debt would know what to do with a windfall. They'd instinctively feel better if they used the money to redeem loans, freeing themselves from long-term obligations and insecurity, and I suggest the same principle should apply to the country, which is in exactly the same position.

The point is this. With all the opportunities we have ahead of us if, in fact, we have budget surpluses, those will be lower than generally expected. And of all the opportunities ahead of us, the first choice and first claim, in my judgment, ought to be to reduce the Federal debt.

We have a lot of proposals out there. There is one by Governor Bush where he talks about very substantial tax cuts. Frankly, I do not support them. It is not that I do not support providing some targeted tax cuts. Working families deserve some help in this area. But we cannot come around here with \$1 trillion or \$1.4 trillion in tax cuts, given what we expect the real surplus to be. It would put us right back in the same deficit ditch, right back in the same ditch.

What we need to do in this political debate is to see if we can't, as Republicans and Democrats, understand that when we respond to this question of the fiscal policy of this country, and what the future might hold, that we be reasonably conservative and cautious, and protect ourselves from retreating back to the same policies we had previously.

We are all responsible for those policies. There is not a set of fingerprints that lays the responsibility at one door with respect to what happened in this country. But we all ought to be responsible, as well, to say we are not going to let it happen again. In my judgment, we can do that now by saying to those who are campaigning for office—both for this Chamber and the other body, and also for the Presidency—let's have a real discussion about what the real surplus might be, and then evaluate what our priorities are with respect to that.

Now, the tax cuts, I am not going to talk about them so much. The tax cuts that are being proposed around here are terrible. In almost every case they provide the biggest benefits to those who need them least. I know people will say: Well, that is all the same old class warfare. It is not class warfare. The bottom 60 percent of the population, earning incomes up to \$40,000, get \$227 a year; and the top 1 percent get \$46,000 each. That is not tax class warfare, that is just a tax cut that should not happen.

The question is, What should we do now? In my judgment, what we should do is establish a set of priorities, both in this Presidential campaign and in the campaigns for the Congress—the Senate and the House—and say, the priorities for using the actual budget surplus, which is much lower than the trillions of dollars being kicked around by some, is to, No. 1, pay down the Federal debt; No. 2, ensure the long-term solvency of Social Security and Medicare—we have a responsibility to do that—No. 3, address this country's urgent needs, and that means making some investments that we need in education, and other areas; and, no. 4, provide targeted tax relief for working families. All of these represent the priorities in the order that I see them. Others may see them differently.

I think it is important, before we start down this road, to address this question of whether the trillions of dollars people are kicking around as expected future surpluses are going to be real. The answer is, with almost all thoughtful economists responding to it, to say, no, these are not real; the surplus is going to be much, much smaller than that. That ought to temper our desire and demand and appetite for these huge tax cuts being proposed that will result in very large future deficits.

The single best thing we could do for this country and its children and our future is to begin paying down the Federal debt with the actual surpluses that will come in future years. It is the single most important way of strengthening this country's economy.

I seldom ever quote Alan Greenspan because we have such disagreements on monetary policy, but I will break that rule today. He came to Congress, the Senate Select Committee on Aging, and said:

... there are limited fiscal resources in this country and that until we have strong evidence that there is a major structural increase in the surplus, that trying to commit it to various different program[s] or even tax cuts, I think, is unwise.

His point is, we ought to use the surplus to reduce indebtedness. We have a nearly \$5.7 trillion Federal debt. If during bad times, during tough times, this country had to run up its debt in order to make ends meet, then during good times the greatest gift we could offer to America's children is to say we will reduce that indebtedness. It is not just a gift to children, it also happens to be the best way to assure long-term economic growth.

I will make one additional point as we begin discussing fiscal policy and tax issues. My presentation here will not dim the appetite of those who come to the floor and say: I don't care about numbers. I don't care about philosophy. I was elected to Congress for one thing, and I am going to propose tax cuts until my last breath. I am going

to propose tax cuts because those are the only two words I know. I don't care about how it all adds up or subtracts or how it all works out. Good for them. But they are the kind of people who steer this country into the deficit ditch, and I, for one, am not going to be a part of it.

I would say to them this: To the extent that we have some ability—and I think there is some ability, even though we are going to have smaller surpluses—to provide tax cuts, I would like tax cuts to go not just to the people who have benefited most from this economy. We have, after all, one-half of the world's billionaires in the United States; good for us—but when we talk about tax cuts, I would much sooner see scarce resources go to working families. They are the ones who need them most.

It is interesting. Every time someone talks about a tax cut around here, they only talk about income taxes. Here are the taxes we collect in this country. This big red piece of the pie is payroll taxes. Those at the lowest end of the economic ladder pay a payroll tax that is the same tax as those at the highest end. Nobody wants to talk about these payroll taxes. These are the ones that have increased very substantially in recent years. So when we talk about tax cuts, maybe we could talk about trying to help those who are paying payroll taxes as well, rather than just those who are paying income taxes.

Nearly 100 percent of the bottom fifth of our population are paying more in payroll taxes than income taxes. In fact, even the middle fifth, those making between \$43,000 and \$65,000 a year, 80 percent of them are paying more in payroll taxes than in income taxes. Yet every time you hear somebody saying let's cut taxes, all they want to talk about is income taxes because that means their tax cut proposal is going to benefit those with the most income. What about a tax cut proposal that says we are going to offset some of the burden of those folks who are going to work every day for the minimum wage and are paying a heavy payroll tax. How about giving them a little relief.

So when the next time comes that we in Congress are talking about tax cuts, I am going to bring some of these charts out and ask: Does this not count, the pie chart that shows payroll taxes? Does it not count that the income earners at the lowest end of the scale are paying these things and it doesn't matter somehow? They don't deserve any help? That is just a tax that we won't talk about. That is not fair. It is not the way to do business.

I think the warnings—perhaps the small craft warnings at this point, but major warnings later—by some good economists are saying: Watch out what you are doing here, talking about \$4 trillion of tax cuts or \$4 trillion of surplus or a \$2.2 trillion surplus or a \$1.5

trillion tax cut; watch what you are doing here and be careful, because this is not going to materialize, and if you do what you are talking about doing, it will pose significant dangers to the American economy.

The best way to assure economic growth and opportunity in this country's future is to decide that if we have surpluses—and I hope we do—we will commit first and foremost those budget surpluses to reducing our country's indebtedness. Again, if in tough times you run up the debt, in good times this country ought to be able to pay it down. That is the greatest gift to America's children, and that is also the surest way to long-term economic health, growth, and opportunities.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

HURRICANE FLOYD

Mr. EDWARDS. Mr. President, few North Carolinians will forget September 16, 1999. Almost 1 year ago tomorrow, Hurricane Floyd dumped 20 inches on the State of North Carolina, eastern North Carolina, devastating and forever changing our State. Fifty-two North Carolinians were killed as a result of Hurricane Floyd; 66 counties, which is more than 70 percent of our State, were declared disaster areas. More than 60,000 homes were destroyed or damaged, and hundreds of businesses were forced to close or relocate. Farmers were faced with sometimes the most difficult circumstances they had ever faced in their lives, losing everything for which they had worked.

I have been to the floor many times over the course of the last year in an effort to secure relief for our Hurricane Floyd victims. I have worked closely with my colleagues, Senator HELMS from North Carolina and Members of our House delegation, to get help for our folks who are hurting so badly. I have emphasized over and over that what we do or sometimes what we don't do affects real people's lives, the people who often are in very difficult places—for example, the people who were devastated by Hurricane Floyd.

Last year, the Senate appropriated more than \$2 billion for FEMA's disaster relief account. Of that total, more than \$215 million was set aside for FEMA's Hazard Mitigation Grant Program. To this day, more than 2,000 homes in North Carolina have been purchased and families have moved out of harm's way, out of the flood zone. In fact, just yesterday I spoke with Brenda Johnson to tell her that her buyout had been approved. Brenda had been living in a small apartment for almost a year. Finally, she will now be able to move on. Along with the buyout money we appropriated last year, we also secured individual family grants and other disaster relief programs to help

people whose homes had been wiped out, people such as Edna Simmons of Greenville, NC.

Greenville was actually one of the hardest hit areas struck by Hurricane Floyd. Unfortunately, Edna's home was one of thousands that were overwhelmed by the flood. For days, Edna's home sat under more than 4½ feet of flood water. She lost everything, and she and her husband and her 6-year-old daughter had to start over. At first, they were able to move in with her mother. Then, with the help of her fellow church members, volunteers, using her own savings and a grant from FEMA, she was able to rebuild her home. Repairs are now in the final stages of her home. Now, more than a year after the rain drove them away, Edna and her family are finally on the verge of going back home.

This storm, however, did not just destroy homes; it also destroyed entire communities. The small town of Princeville is a great example. It was completely wiped out. Princeville residents lost their townhall; they lost their library, their police station, and their school. Of the 2,000 homes in Princeville, more than 1,000 were heavily damaged or destroyed. And Princeville residents are a very proud group. This is the first town in America that was established by freed slaves. Princeville's residents are working very hard to rebuild and preserve their historic town.

One year after the Princeville Montessori school was devastated by the floods, volunteers, State employees, students, and parents have rebuilt the school with the help of FEMA grants.

For all the successes we have had over the last year, there are still shortcomings in responding to this disaster. We have heard over and over—I and my staff—from worried and confused constituents, folks who had no idea where they were supposed to go.

Navigating the myriad programs that exist in the Federal Government to provide relief to hurricane victims is a time-consuming and sometimes very frustrating process. For example, there are Federal disaster programs within the Department of Housing and Urban Development, Department of Education, Small Business Administration, Department of Labor, Department of Energy—just to name a few. So it is very hard for folks whose lives and families have been devastated as a result of a natural disaster to know where it is they need to go to get the relief they need and deserve.

Sometimes, the assistance just doesn't come quickly enough. One example is Bobby Carraway, who owned a restaurant in Kinston NC, near the Neuse River. The river flooded, and his restaurant sat under more than 3 feet of water for many days. He lost his entire business. But with the help of his landlord, who let up on the rent, and

his food suppliers, who told him he could pay when he could, neighbors who helped him clean up his business, and a large chunk of his own personal savings, he was able to reopen his restaurant.

Today, one year after Hurricane Floyd threatened to take his livelihood, Bobby is still waiting for the Small Business Administration to approve his loan. He should not have to wait so long, and residents such as Edna should not have to navigate through these confusing Federal and State programs, especially when they are dealing with devastation to family and emotional trauma caused by natural disasters such as Hurricane Floyd.

The biggest lesson we have learned from this storm is that the Federal, State, and local responses to disasters have to be better coordinated and must be more efficient.

Senator STEVENS from Alaska and I cochair the Natural Hazards Disaster Caucus. Seventeen Senators have joined us. Our goal is to provide concrete steps that Federal, State, and local programs can work together to protect our residents, provide a more efficient response, and mitigate the cost and destruction of future disasters.

The Government can't make people whole again after a disaster, but we can, and should, be prepared to do all we can to help people get back on their feet.

We have made great strides in our recovery in North Carolina, but we still have a long way to go. Most Federal officials agree it will be another 2 years before eastern North Carolina has completely recovered. Today, hundreds of people will mark the anniversary of Hurricane Floyd in their FEMA trailers, where they live. We are facing a rental housing shortfall of about 4,000 units, and thousands of victims are facing many years of debt as a result of this disaster.

I am grateful to the Senate for including \$50 million for North Carolina for the USDA's Community Facilities Grant Program in the Agriculture appropriations bill. This money will make a real difference in a town such as Farmville, which needs help rebuilding its fire station.

I also want to take this opportunity to thank FEMA Director James Lee Witt and his entire agency for their dedication to helping those who simply could not help themselves.

Governor Jim Hunt has worked tirelessly to help the residents of our State. Most importantly, I want to take this opportunity to thank the people of North Carolina—the thousands of volunteers who, over the course of the last year, have responded heroically to the damage done and the devastation done to their neighbors and friends.

It has been a long year, and we still have a lot of work left to do. Hurricane